Saskatchewan Teachers' Superannuation Commission

Government of Saskatchewan

Table of Contents

Letter of Transmittal 2

Message from the Chairperson 5

Profile 6

Teachers' Superannuation Commission 7

Teachers' Superannuation Plan 21

Teachers' Disability Plan 22

Teachers' Dental Plan 23

Management Report, 2013 24

Actuary's Opinion 25

Auditor's Report 26

Statement of Financial Position 27

Statement of Changes in Net Assets Available for Benefits 28

Statement of Changes in Pension Obligations 29

Notes to the Financial Statements 30

Investment Schedules 45

This annual report is available in electronic format at **www.stsc.gov.sk.ca**.

Letter of Transmittal

The Honourable Don Morgan, Q.C.
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2013 and *The Teachers' Dental Plan Act* for the period ending December 31, 2012.

Respectfully submitted,

Dr. Derwyn Crozier-Smith
Chairperson

2012 – 2013 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Eighty-third Annual Report with respect to
The Teachers' Superannuation and Disability Benefits Act for the Year Ended June 30, 2013 and

Twenty-eighth Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2012

(This page intentionally left blank)

Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2012-13 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

Due to the closed nature of the Plan, the Teachers' Superannuation Fund (TSF) assets are diminishing. Even with fewer assets, the Fund has performed well over the long term, but failed to beat its benchmark over the last year. The one year return for the TSF was 6.1% for 2012-13, which trailed its portfolio benchmark by 1.3%. The long term view shows a brighter picture with a 10 year investment return of 7.3%, which exceeds its benchmark by 0.5%.

In keeping with the Commission's Investment Policy and Objective Statement which states *"The basic nature of the investment policy will therefore be to preserve capital in real terms and generate an optimal level of investment returns through interest, dividends and capital appreciation"*, the Commission conducted an optimization study on the TSF asset mix with its Investment Consultant. This study resulted in the adoption of a "de-risking" investment strategy which introduces asset mix glidepaths that gradually remove risk for the next five to six years and reintroduce risk when the asset base is reduced with fewer dollars at risk. The new investment strategy came into effect on July 1, 2012. The TSF asset base declined as projected which lead the Commission to move to the next stage of the de-risking glidepath effective July 1, 2013. The Commission will continue to monitor the asset base of the TSF and the progress and performance of the TSF de-risking model.

To monitor the growing liabilities of the fund, the Commission will conduct an actuarial valuation of the Plan for the two year period ending June 30, 2013 to be completed in the latter part of 2013. This valuation will provide an updated snapshot of the unfunded liability that exists within the Teachers' Superannuation Plan.

To strengthen its governance processes, the Commission adopted the Canadian Association of Pension Supervisory Authorities (CAPSA) *Pension Plan Governance Guidelines and Self-Assessment Questionnaire* to be used for its annual self-assessment.

The Commission will continue to work with the Ministry to explore opportunities to build efficiencies within the Teachers' Superannuation Commission and enhance services to active and superannuated teachers.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.

Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF).

The Teachers' Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2013, the TSF has net assets available for benefits of $0.644 billion, actuarial pension obligations of $5.896 billion, and a deficit of $5.251 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance			
Mission, mandate and objectives	7	Commission Independence	16
Commission member background	8	Investment performance	18
Commission member attendance	8	Responsibility for financial statements	24
Commission member role and responsibilities	9	Actuary's opinion	25
Commission strategic plan: key functions, objectives and actions	9	Auditor's report	26

Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers.

The various Acts (and regulations thereto) are:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the Saskatchewan *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the insurance carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission maintains its governance manual that is posted on the website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Due to his retirement from the STF, Daryl Nordick stepped down from the Commission effective October 31, 2012. Mr. Nordick served on the Commission from September 28, 2005 to October 31, 2012.

To fill the vacancy resulting from Mr. Nordick's departure, Mr. Michael Gatin, Senior Administrative Staff, STF was appointed to the Commission on December 5, 2012.

To fill the vacancy resulting from Dawn Court's resignation effective April 24, 2012, Mr. Doug Schell was appointed to the Commission effective December 5, 2012.

The Commission gratefully recognizes the contributions of Mr. Nordick and Ms. Court.

Commission members as at June 30, 2013 with background credentials are:

<table>
<tr><td colspan="2">Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D.
Chairperson
Former STF General Secretary, Former STF Executive Assistant</td></tr>
<tr><td>Brian Smith
Assistant Deputy Minister
Ministry of Finance</td><td>Murray Wall, B.Ed., B.Sc., M.Ed.
Senior Administrative Staff
Saskatchewan Teachers' Federation</td></tr>
<tr><td>Clint Repski, B.Admin, CA
Senior Policy Advisor, Cabinet Planning
Executive Council and Office of the Premier</td><td>Laurel Irving Piot, B.Ed., P.G.D., M.Ed.
Senior Administrative Staff
Saskatchewan Teachers' Federation</td></tr>
<tr><td>Doug Schell, CA
Director, Financial Analysis & Reporting, Education Funding
Ministry of Education</td><td>Michael Gatin, B.A., B.Ed., P.G.D.
Senior Administrative Staff
Saskatchewan Teachers' Federation</td></tr>
</table>

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	10 of 10	May 18, 2016
Brian Smith	7 of 10	December 5, 2017
Daryl Nordick	3 of 3	October 31, 2012
Murray Wall	9 of 10	July 1, 2014
Clint Repski	9 of 10	August 20, 2013
Michael Gatin	7 of 7	December 5, 2017
Doug Schell	6 of 7	December 5, 2017
Laurel Irving Piot	9 of 10	February 28, 2017

Commission member role and responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister responsible for the Commission

Commission Strategic Plan: Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission reviewed and updated its Strategic Plan in October 2012. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan.

The Strategic Plan outlines four key functions:

1. Governance
2. Administration
3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e. risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission's governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers' Superannuation Plan, Disability Benefits Plan, Dental Plan, and Group Life Insurance Plan;
- Exhibit leadership in fulfillment of fiduciary duty;
- Establish TSC policies; and
- Provide an operational and governance framework; communicate and report on it.

Strategic Objective	Strategic Action
Monitor, evaluate and report on the effectiveness of the TSC's governance structures ensuring compliance with relevant legislation and policies.	➢ The Commission follows an annual planning calendar that is part of its Strategic Plan; ➢ At its annual planning meeting in October 2012, the Commission reviewed, revised and approved its Strategic Plan for 2012-13; ➢ The Commission reviewed, revised and approved amendments to its Governance Manual at its January 2013 meeting; ➢ Commission members completed self-assessments and submitted signed conflict of interest declarations; ➢ In January 2013, the Commission adopted the CAPSA *Pension Plan Governance Guidelines and Self-Assessment Questionnaire* for its annual self-assessment ➢ The Commission met with its plan actuary to review the actuarial method and assumptions to be applied for the actuarial valuations of the Teachers' Superannuation Plan and the Teachers' Disability Benefits Plan to be conducted as at June 30, 2013; and ➢ In April 2013, the Commission reviewed its Investment Policy and Objective Statement (IP&OS) to ensure the clarity of its policies and reflects industry best practices.
Encourage and foster a shared understanding of the TSC's governance structure and organizational processes within government, teacher membership and associated agencies.	➢ The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the superannuation, disability and benefit plans;

	➢ The Commission tables an annual report that outlines the activities of the TSC and its governance for the Teachers' Superannuation Plan, Teachers' Disability Benefits Plan and Teachers' Dental Plan. The annual report is widely distributed and is accessible on the TSC website for all interested parties; ➢ The Commission also tables a separate annual report on the activities of the Teachers' Group Life Insurance Plan; and ➢ Two newsletters are mailed on an annual basis. One newsletter is directed at the active members in the superannuation plan and the other is targeted towards the superannuated members.
Encourage innovation in the identification and analysis of ways to add value and manage risks.	➢ The Commission received educational presentations during 2012-13. Sessions included Fraud management for the teacher dental and group life insurance plans and future outlook for investment markets; ➢ The Commission met with its private equity investment manager to discuss the investment performance of its two international private equity funds. Topics discussed included investment strategy, processes surrounding private equity acquisitions and the eventual divestments of the first private equity fund; ➢ The Commission expanded its Securities Lending Agreement with State Street Trust Company to include US equities as securities lending collateral and introduce a minimum spread to gain additional revenue from its securities lending program; ➢ At its October 2012 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan to identify key risks and how to manage those risks; and ➢ The Commission monitored the progress of the TSF asset base and adopted the next de-risking glidepath to be effective July 1, 2013.

2. Administration

The Teachers' Superannuation Commission's Administration;

- Provides support for the provision of pension allowances, disability, dental and group life insurance benefits to teachers in accordance with legislation;
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors;
- Supports the Commission and government agencies as requested;
- Implements Commission policies and directives;
- Adds value and manages risks associated with the TSC's business portfolio; and
- Enriches and develops the TSC's human resources.

Strategic Objective	Strategic Action
Ensure effective operation of the TSC's governance structure in accordance with legislation and policies.	➢ At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed.
Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives.	➢ At its annual planning meeting in October 2012, the Commission refined its strategic plans after approving a revised risk assessment and management plan; ➢ In October 2012, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities. The Executive Director contacted each agent and advisor and provided a copy of their performance evaluation; ➢ On a quarterly basis, the Commission met with its investment consultant, Aon Hewitt to review the performance of the investment returns as it compares to benchmarks. The Commission met with the plan fund manager, Greystone Managed Investments twice in 2012-13 to review investment performance of the Fund; ➢ The Commission met with the private equity fund manager, GE Asset Management, to monitor the International Private Equity investment portfolios; ➢ Commission members and TSC staff attended various educational sessions in 2012-13;

Provide effective oversight of the administrative operations of the TSC.	➢ Along with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems; ➢ In October 2012, the Commission reviewed and approved its Communication Plan. The Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual, and; ➢ The Commission maintains and reviews an effective Risk Assessment & Management Plan. ➢ The Commission receives regular updates on the progress towards fulfilling the recommendations made by the Provincial Auditor of Saskatchewan; ➢ The Commission annually evaluates the performance of the Executive Director utilizing the management performance tool, *Planning for Success* ; and ➢ The Commission receives quarterly financial reports on the financial operations of the TSC as well as all pension and benefit plans under administration.

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life insurance coverage;
- Support teachers through timely, responsive and appropriate communication; and
- Render services with personalized care and attention, with integrity, fairness and efficiency.

Strategic Objective	Strategic Action
Identify and assess performance measurement against relevant service standards.	➢ The TSC Staff provide care and attention to the quality of service provided to teachers for all plans under administration; ➢ Management regularly reviews its policies and procedures to ensure it is meeting its statutory requirements for the teacher pension and benefit plans; ➢ The TSC staff collaborate with the insurance carrier to implement the most efficient processes to administer the benefit plans, and; ➢ Administration meets annually with the insurance carrier to review service standards and claim turnaround times.
Ensure continuity and consistency of service received.	➢ The TSC has implemented procedures and processes for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies.

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.); and
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers.

Strategic Objective	Strategic Action
Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	➢ When requested by the STF, the TSC Administrative staff attends STF sponsored retirement planning seminars and provides pension projections for seminar participants; ➢ The TSC staff communicate regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans; and ➢ Maintain an open dialogue with the STF and STS to best serve the needs of current and superannuated teachers.

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.0 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions. Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The $1.5 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, commuted value payments, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Hewitt.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments Inc. is responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Trust Company, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon Hewitt also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions biennially and does so in consultation with the actuary. The 2011 valuation assumes the interest rate for valuation purposes to be 4.5% per annum for 2013 to 2020, 4.35% per annum for the next 10 years, and 4.25% per annum thereafter. The phased declining interest rate represents the increasing mix of implicit public sector debt (which has a lower cost) versus pension assets in relation to the funding status of the pension liabilities. The financial statements in this report are based on an extrapolation of the June 30, 2011 valuation results. The total deficit as at June 30, 2013 is $5.25 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act* rests with the government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Trust Company, custodian of the investments on behalf of the Plan. Custodial fees of $59,386 (2012 - $55,843) and $147,288 (2012 - $129,599) for brokerage fees were paid to State Street Trust Company for 2013. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2013 were $901,818 (2012 - $1,652,959). Investment management fees for private equity paid to GE Asset Management for 2013 were $1,445,462 (2012 - $731,541). State Street Trust Company is also the custodian for the pooled fund investments on behalf of Greystone Managed Investments Inc. and its sub-advisors Goldman Sachs Asset Management and Hansberger Global Investors.

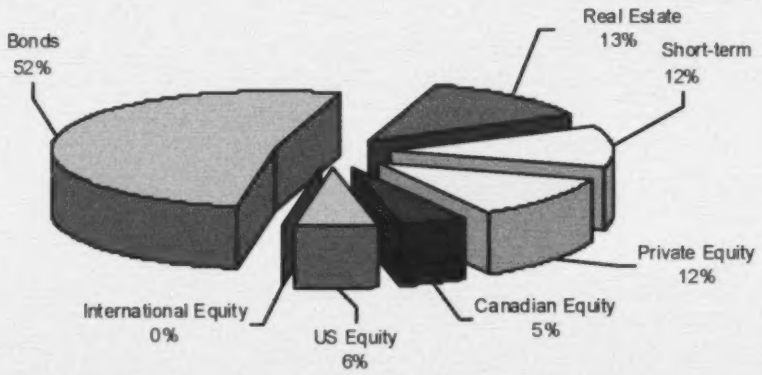
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

IP&OS asset mix guidelines for the TSF as at June 30, 2013

	Minimum %	Maximum %
Canadian Equities, Large Cap	5	15
Canadian Equities, Small Cap	1	5
Total Canadian Equities	***7.5***	***20***
U.S. Equities, Large Cap (Unhedged)	5	15
International Equities, Public and Private (Unhedged)	2.5	15
Total Foreign Equities	***10***	***30***
Total Equities	***20***	***45***
Nominal Bonds	40	70
Short Term	0	10
Total Fixed Income	***45***	***70***
Real Estate	7	20

TSF portfolio asset mix at June 30, 2013



TSF Rates of Return – Periods to June 30, 2013						
	1 Year		4 Years		10 Years	
Asset class	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	9.3	-10.3	-2.2	-2.5	8.9	7.3
U.S. Equity	23.7	11.4	1.8	3.9	1.7	1.2
International Equity	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]	n/a[1]
Bonds	0.3	-0.2	7.5	7.0	6.9	6.5
Real Estate	11.6	n/a	8.1	n/a	14.1	n/a
Total Fund	6.1	7.4	7.3	7.7	7.3	6.8

[1] *The portfolio was divested of all International Equities in 2012-13.*

To reflect the declining asset base, the Commission adopted a de-risking strategy effective July 1, 2012. The TSF's asset mix will experience a gradual reduction in return seeking, risky assets until 2018. Beginning in 2019, the allocation to return seeking assets will be increased gradually until 2025. The re-risking phase acknowledges the reduced asset base and the lower impact higher risk assets will have on overall TSF market values after 2018.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to ensure the IT systems in place remain functional in the current IT environment. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

As part of governance processes, the Commission adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events and
- Risk associated with direct or indirect loss resulting from market events and investment related profiles

The Commission reviews and updates its risk assessment and management plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Disability, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement letters
- Contact information
- Governance manual
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2013	2012
Active Members	748	970
Inactive Members	4,103	4,234
Pensioners/Survivors	11,357	11,361
Disability Recipients	124	159
July 1 Retirements	140	137
Total Members	16,472	16,861

From July 1, 2012 to June 30, 2013 a total of 236 (2012 – 339) new allowances were granted.

On January 1, 2013 a Cost of Living Allowance increase of 1.4% (2012 – 2.3%) was applied to pension allowances and disability benefits.

Investment earnings of 9.57% (2012 – 0.67%) were credited to teachers in the Teachers' Superannuation Fund. These earnings include only 25% of the current period change in fair values of investments and 25% of each of the previous 3 years' change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of 5.97% (2012 – -1.11%) were credited to the Voluntary Contributions Fund. There are 93 members (2012 – 102) with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2012-13.

Teachers' Disability Benefits Plan

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, pursuant to Section 38(2) of *The Teachers' Superannuation and Disability Benefits Act.*

Eligibility

Teachers who participate in The Teachers' Superannuation Plan are eligible for benefits from this Plan. The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

A teacher's disability benefit ceases on the earliest of:
(a) the commencement of a pension allowance;
(b) the attainment of age 65 by the teacher; and
(c) the death of the teacher.

At June 30, 2013, 124 teachers (2012 – 159) were in receipt of disability benefits from the Plan. Teachers are also encouraged to apply for disability benefits from the Canada Pension Plan. If benefits are not payable from the Canada Pension Plan, the amount payable by the Teachers' Disability Benefits Plan is increased accordingly.

Highlights

As at June 30	2013	2012
New Applications	10	22
Medical reviews	124	134
Return to teaching	8	3
Commenced Superannuation Allowance	37	50
Deceased	0	2

At each meeting, the Commission receives new disability applications, grants benefits to the teachers who meet the eligibility requirements and sets dates for follow-up medical reviews. Administration reviews subsequent medical reports for teachers already approved for benefits and submits a report to the Commission for approval of continued benefits. During the year, the Plan paid disability benefits of $2.7 million (2012 - $3.4 million).

Valuation

The most recent valuation was performed at June 30, 2011 and extrapolated to June 30, 2013. The total unfunded liability as at June 30, 2013 is $6.9 million.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers and is a collectively bargained benefit. In accordance with *The Teachers' Dental Plan Act*, the Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. The intent of the plan is to promote good dental health by reducing costs for preventative, routine and major restorative dental work. Teachers with regular or temporary contracts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-time attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Disability Benefits Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for members.

Level I – Preventive Services – 100% of the eligible charge.
Level II – Basic and Routine Services – 85% of the eligible charge.
Level III – Major Restorative Services – 60% of the eligible charge.
Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of $2,000 per person.

Insurance Carrier

The Government of Saskatchewan and the STF mutually agree upon the insurance carrier to provide administrative services. The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website www.stsc.gov.sk.ca/forms/ . Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

As a result of collective bargaining between the STF and the government, orthodontic services for adults were added to the Teachers' Dental Plan effective September 1, 2012. Adult orthodontic benefits and lifetime maximums mirrors the coverage available to dependents.

For the year ending December 31, 2012, Sun Life processed 43,898 (2011 - 48,814) dental claims.

For the year ending December 31, 2012, the government paid $10,766,202 (2011 - $10,587,740) in dental benefits and administrative costs.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/ .

Teachers' Superannuation Commission
Management Report, 2013

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The pension obligations and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2011 valuation and the extrapolation of the valuation results to June 30, 2013 appear on page 25.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 26.

The financial statements have been examined and approved by the Commission.

Doug Volk, BA, PPAC
Executive Director

Sharlene Arklie, FCGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 16, 2013

Actuary's Opinion

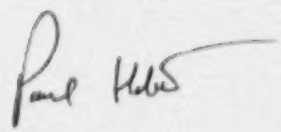
Aon Hewitt was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2011. Aon Hewitt was further retained to prepare an extrapolation of the valuation results to June 30, 2013 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2013.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2011;
- Financial Statements as at June 30, 2013 provided by the Commission;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Hewitt and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while, in my opinion, these assumptions are reasonable when considering the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and, in my opinion, the data is sufficient and reliable for the purposes of the valuation and the extrapolation. In my opinion the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate when considering the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed, in accordance with accepted actuarial practice in Canada.



Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 16, 2013

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Teachers' Superannuation Plan, which comprise the statement of financial position as at June 30, 2013, and the statement of changes in net assets available for benefits, and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Teachers' Superannuation Plan as at June 30, 2013, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Judy Ferguson

Regina, Saskatchewan
October 16, 2013

Judy Ferguson, FCA
Acting Provincial Auditor

1500 Chateau Tower - 1920 Broad Street Regina, Saskatchewan S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
) www.auditor.sk.ca

Teachers' Superannuation Plan
Statement of Financial Position

Statement 1

As at June 30
(in thousands of dollars)

	2013			2012		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	$ 3,029	$ -	$ 3,029	$ 370	$ -	$ 370
Due from General Revenue Fund (Note 3)	560	32	592	232	16	248
Accrued investment income	2,137	-	2,137	1,746	-	1,746
Investments (Note 4):						
Bonds and debentures	292,514	-	292,514	219,285	-	219,285
Pooled Funds	93,892	3,343	97,235	232,718	3,446	236,164
Equities	43,184	-	43,184	128,073	-	128,073
Real estate	1	-	1	1	-	1
Private equity	68,160	-	68,160	70,977	-	70,977
Short – term	67,217	-	67,217	38,266	-	38,266
	570,694	3,375	574,069	691,668	3,462	695,130
Contributions receivable:						
Teachers	934	-	934	584	-	584
General Revenue Fund	73,281	-	73,281	34,650	-	34,650
	74,215	-	74,215	35,234	-	35,234
Prepaid Investment Fees	49	-	49	-	-	-
Total assets	$ 644,958	$ 3,375	$ 648,333	$ 726,902	$ 3,462	$ 730,364
LIABILITIES						
Accounts payable	$ 490	$ -	$ 490	$ 261	$ -	$ 261
Total liabilities	490	-	490	261	-	261
NET ASSETS AVAILABLE FOR BENEFITS	644,468	3,375	647,843	726,641	3,462	730,103
Pension obligation (Statement 3)	5,895,615	3,375	5,898,990	5,898,236	3,462	5,901,698
Deficit	$ 5,251,147	$ -	$ 5,251,147	$ 5,171,595	$ -	$ 5,171,595

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan — Statement 2
Statement of Changes in Net Assets Available for Benefits

Year Ended June 30
(in thousands of dollars)

	2013			2012		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 9,969	$ -	$ 9,969	$ 8,539	$ -	$ 8,539
Dividends	4,872	-	4,872	5,521	-	5,521
Pooled Fund Distributions	1,928	104	2,032	6,753	112	6,865
Total investment income	16,769	104	16,873	20,813	112	20,925
Increase (decrease) in fair value of investments	$ 22,563	$ 92	$ 22,655	$ 2,585	$ (144)	$ 2,441
Contributions:						
General Revenue Fund other contributions	213,187	-	213,187	139,312	-	139,312
Teachers	4,061	16	4,077	5,081	15	5,096
General Revenue Fund matching contributions	4,057	-	4,057	5,068	-	5,068
Other transfers and contributions	1,719	-	1,719	1,297	-	1,297
Total contributions	223,024	16	223,040	150,758	15	150,773
Total increase (decrease) in assets	$ 262,356	$ 212	$ 262,568	$ 174,156	$ (17)	$ 174,139
DECREASE IN ASSETS:						
Allowances to superannuates	$ 336,399	$ -	$ 336,399	$ 330,412	$ -	$ 330,412
Refunds and transfers	5,338	294	5,632	5,651	350	6,001
Investment expenses (Note 7)	2,554	5	2,559	2,570	5	2,575
Marriage breakdown payments	238	-	238	878	-	878
Total decrease in assets	$ 344,529	$ 299	$ 344,828	$ 339,511	$ 355	$ 339,866
(Decrease) increase in net assets	(82,173)	(87)	(82,260)	(165,355)	(372)	(165,727)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	726,641	3,462	730,103	891,996	3,834	895,830
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 644,468	$ 3,375	$ 647,843	$ 726,641	$ 3,462	$ 730,103

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Pension Obligations

Statement 3

Year Ended June 30

(in thousands of dollars)

	2013			2012		
	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total
PENSION OBLIGATIONS, beginning of year	$ 5,898,236	$ 3,462	$ 5,901,698	$ 5,422,452	$ 3,834	$ 5,426,286
INCREASE IN PENSION OBLIGATIONS:						
Interest accrued on obligations	198,012	-	198,012	233,118	-	233,118
Obligations accrued	24,468	212	24,680	26,502	(17)	26,485
Impact of assumption changes	116,874	-	116,874	652,076	-	652,076
Impact of plan experience	-	-	-	(98,971)	-	(98,971)
	339,354	212	339,566	812,725	(17)	812,708
DECREASE IN PENSION OBLIGATIONS:						
Obligations paid	341,975	299	342,274	336,941	355	337,296
PENSION OBLIGATIONS, end of year	$ 5,895,615	$ 3,375	$ 5,898,990	$ 5,898,236	$ 3,462	$ 5,901,698

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements

June 30, 2013

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The plan is a registered pension plan as defined by *The Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency. The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The following accounting policies are considered significant:

a) Basis of Presentation

The financial statements for the year ended June 30, 2013 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the Canadian Institute of Chartered Accountants (CICA) Handbook Section 4600, *Pension Plans*. For matters not addressed in Section 4600, *Pension Plans*, Canadian Accounting Standards for Private Enterprises (ASPE) have been followed. These financial statements were authorized and issued by the Board on October 16, 2013.

b) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at June 30, 2013. Short-term investments are recorded at fair value. Real estate and private equity are recorded at fair value as estimated by independent appraisals. The fair value of the investments approximates the market value.

c) Actuarial Asset Value Adjustment

The actuarial asset value adjustment represents the difference between the market value and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments and accrued pension benefits. Actual results could differ from these estimates.

e) Future Accounting Pronouncements

Canadian accounting standards for pension plans includes reference to the guidance found in International Financial Reporting Standards (IFRS) with respect to the fair value measurement for investment assets and investment liabilities. Amendments to IFRS 13, Fair Value Measurement, become effective for annual periods beginning on or after January 1, 2013. The extent of the impact on amendment of this standard is not known at this time but is not expected to be material.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2013 was 1.09% (2012 – 1.06%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds and real estate pooled funds.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost at the time of acquisition of the Fund's portfolio.

During 2011-12, the Commission engaged its Investment Consultant to conduct a de-risking optimization study of the asset mix for the Teachers' Superannuation Fund. In March 2012, the Commission amended their investment policy to reflect the de-risking investment strategy. The transition to this new investment strategy was effective July 1, 2012 and the effect of this change has been reflected in the future projections used in the actuarial extrapolation at June 30, 2013 in Note 8.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 0.97% to 1.22% (2012 – 0.95% to 1.28%) and a weighted average term to maturity of 79 days (2012 - 47 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits, for this Fund, its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below:

		2013			2012		
	Years to Maturity	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	<1	$ -	-	-	$ -	-	-
	1-5	21,837	1.76	1.53	56,970	1.23	1.56
	6-20	43,197	2.23	2.32	8,200	2.06	3.64
	20+	14,807	3.17	4.54	10,319	2.84	4.58
Provincial & Provincially	1-5	6,059	0.19	1.60	5,688	2.15	2.13
Guaranteed Bonds	6-10	28,998	2.99	4.80	14,824	2.62	5.85
Other Provinces	11-15	5,180	3.52	4.42	3,774	2.98	4.42
	16-20	21,383	3.86	6.23	16,299	3.39	6.22
	20+	17,435	4.01	4.70	13,843	3.55	4.63
Saskatchewan	1-5	-	-	-	783	1.79	4.65
	6-10	-	-	-	-	-	-
	11-20	4,289	3.68	6.40	3,155	3.17	6.40
	20+	2,485	3.76	4.02	929	3.26	4.75
Municipal	1-5	5,445	2.39	4.71	4,410	2.20	4.72
	6-10	3,407	2.62	5.10	2,005	2.41	5.10
Corporate Bonds	<1	2,708	1.71	5.25	3,044	1.67	4.98
	1-5	76,090	1.98	3.28	43,553	2.23	4.00
	6-10	20,153	3.07	4.67	16,797	2.83	4.85
	11-15	899	4.28	8.29	953	3.82	8.29
	16-20	1,379	4.58	6.67	798	4.88	6.67
	20+	16,763	4.14	5.53	12,941	4.38	5.81
		$ 292,514			$ 219,285		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2013	2012
		($000's)	
Common Shares			
	Canadian	$ 8,575	$ 79,079
	Foreign	34,609	48,994
		43,184	128,073
Private Equity		68,160	70,977
Total Equities		$ 111,344	$ 199,050

The Plan's investment policy limits this Fund from any holding to represent no more than 10% of the outstanding shares of the issuing corporation. The investment policy allows up to 30% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2013, the Plan held 6.13% (2012 – 7.11%) in foreign equities and 0% (2012 – 20.2%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 4.0% (2012 – 2.9%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2013	2012	2013	2012	2013	2012	2013	2012
	(000's)				($000's)		($000's)	
Greystone EAFE Plus Fund	-	-	-	-	$ -	$ -	$ -	$ (20,885)
Greystone EAFE Growth Fund	-	13,522	-	8.67	-	111,302	4,151	5,991
Greystone EAFE Quant Fund	-	-	-	-	-	-	-	(1,520)
Greystone US Strategic Growth Fund	-	839	-	12.55	-	9,280	(87)	1,308
Greystone US Strategic Value Fund	-	2,169	-	12.75	-	18,932	(301)	760
Greystone Canadian Small Cap Fund	2,042	3,012	7.6	11.8	21,812	28,605	3,030	(4,355)
Greystone Real Estate Fund	749	749	1.72	1.9	72,080	64,599	7,481	8,927
					$ 93,892	$ 232,718	$ 14,274	$ (9,774)

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices.

Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

Real Estate

Investments in real estate consist of interests in Canadian property as well as unit holdings within a real estate pooled fund.

Private Equity

The Plan committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2012 – 8.2%) of the committed and 8.0% (2012 – 8.0%) of the invested funds. As of June 30, 2013, the total value of the GEAM International Private Equity Fund, L.P. was $309 million US (2012 - $380 million US) and the Plan's share was $25.9 million CDN (2012 - $32.1 million CDN).

Effective September 30, 2008, the Plan committed an additional US $37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The Teachers' Superannuation Fund has 11.0% (2012 – 11.0%) of the committed and 11.0% (2012 – 10.7%) of the invested funds. As of June 30, 2013, the total value of the GEAM International Private Equity Fund II, L.P. was $52.6 million US (2012 – $17.1 million US) and the Plan's share was $6.5 million CDN (2012 - $2.5 million CDN).

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers' Superannuation Fund ($000's)

	Level 1		Level 2		Level 3		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Bonds and debentures	$ -	$ -	$ 292,514	$ 219,285	$ -	$ -	$292,514	$219,285
Pooled funds	-	-	21,812	168,119	72,080	64,599	93,892	232,718
Equities	43,184	128,073	-	-	-	-	43,184	128,073
Real estate	-	-	-	-	1	1	1	1
Private equity	-	-	-	-	68,160	70,977	68,160	70,977
Short - term	67,217	38,266	-	-	-	-	67,217	38,266
Total	$110,401	$166,339	$ 314,326	$ 387,404	$140,241	$135,577	$ 564,968	$ 689,320

Fair value measurements using level 3 inputs:

Teachers' Superannuation Fund ($000's)

	Real Estate		Real Estate Pooled		Greystone Private Equity		GE Private Equity		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Balance at July 1	$ 1	$ 6	$ 64,599	$73,582	$ 36,441	$ 35,861	$ 34,536	$ 33,635	$ 135,577	$ 143,084
Purchases	-	-	-	-	-	-	-	-	-	-
Sales	-	-	-	(17,910)	-	-	-	-	-	(17,910)
Net transfers in (out)	-	-	-	-	-	-	(2,381)	(8,277)	(2,381)	(8,277)
Gains (Losses):										
Realized	-	-	-	2,385	-	-	1,879	(458)	1,879	1,927
Unrealized	-	(5)	7,481	6,542	(703)	580	(1,612)	9,636	5,166	16,753
Balance at June 30	$ 1	$ 1	$ 72,080	$ 64,599	$ 35,738	$ 36,441	$ 32,422	$ 34,536	$ 140,241	$ 135,577

Realized and unrealized gains and losses appear in the Increase (decrease) in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

The Voluntary Contributions Fund holds pooled funds which are classified as level 2 and are described below.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2013	2012	2013	2012	2013	2012	2013	2012
	(000's)				($000's)		($000's)	
Greystone EAFE Plus Fund	-	-	-	-	$ -	$ -	$ -	$ (29)
Greystone EAFE Growth Fund	18	20	0.02	0.01	174	167	35	8
Greystone Canadian Fixed Income Fund	143	148	0.19	0.26	1,513	1,625	6	179
Greystone Canadian Equity Fund	47	51	0.06	0.06	1,059	1,066	112	(210)
Greystone US Equity Fund	13	16	0.10	0.11	184	186	38	17
Greystone Money Market Fund	41	40	0.14	0.14	413	402	5	4
					$ 3,343	$ 3,446	$ 196	$ (31)

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 9.57% (2012 – 0.67%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment gains less investment expenses of $191,380 to teachers' accounts and for 2012 allocated investment losses less investment expenses of $37,383.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees are on the following page:

	2013			2012		
	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)
Custodial fees	$ 60	$ 2	$ 62	$ 56	$ 2	$ 58
Brokerage fees	147	-	147	130	-	130
Investment and asset management fees	2,347	3	2,350	2,384	3	2,387
	$ 2,554	$ 5	$ 2,559	$ 2,570	$ 5	$ 2,575

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2012 – 223,811 common shares) representing 14.33% of the total shares outstanding in GMI (2012 – 14.36%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $6,773,854 (2012 - $4,866,582) and interest expense (income) including change in fair value of $194,819 (2012 – $800,662).

8. Actuarial Valuation - Pension Benefits

a) Accrued Pension Benefit Obligation

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Actuarial valuations are performed every two years. Extrapolations are made every year using the last valuation available since the valuation results are not available until approximately six months following the year end. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2011 and an extrapolation was made to June 30, 2013 and June 30, 2012 respectively.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

In 2013, the discount rate methodology was changed to better reflect the Saskatchewan provincial bond yield curve to match the timing and amount of future expected benefit payments as well as the expected rate of return on assets assumption to 5% per annum up to 2030. The single discount rate was determined as a blend between the funded and unfunded portions of the Plan.

In 2013, the mortality rate assumption was changed in anticipation of the upcoming release of Canadian specific pensioner mortality tables by the Canadian Institute of Actuaries (CIA). The UP2000BB Generational mortality table represents an intermediate table between the previous UP94 Generational table and the soon to be released Canadian specific table. The UP2000BB will be used to prepare the actuarial valuation at June 30, 2013.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2013	2012
▪ salary increases	3.5% thereafter	3.5% thereafter
▪ interest rate	3.5% / year	3.45% / year for next 7 years 3.35% / year for next 12 years, and 3.30% / year thereafter
▪ inflation	2.5%	2.5%
▪ mortality table	UP2000BB generational	UP94 generational

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, shows the impact of changing all assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	2.5%	4.5%	1.5%	3.5%
(Decrease) Increase ($000s)	$(5,871)	$6,161	$806,984	$(656,896)	$177,532	$(167,261)

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2013 extrapolation, the changes in assumptions increased the accrued pension benefit by $116,874,000. The changes in assumptions include a decrease of $87,923,000 due to a change in the discount rate assumption and an increase of $204,167,000 due to a change in the mortality rate assumption.

b) Actuarial Asset Value

In the past, the Plan measured its portfolio on an actuarial asset basis to determine the Plan Deficit (or Unfunded Liability) and disclosed it on the Statement of Financial Position (Statement 1). However, with the adoption of CICA Handbook Section 4600 in 2012, the actuarial asset value cannot be disclosed in the net assets available for benefits or the resulting deficit on Statement 1.

The Plan continues to measure its assets on this basis for funding and internal management purposes. A reconciliation of the Unfunded Liability appears below:

	2013	2012
	($000's)	
Net Assets Available for Benefits (Statement 1)	$ 644,468	$ 726,641
Pension Obligation (Statement 3)	5,895,615	5,898,236
Deficit (Statement 1)	5,251,147	5,171,595
Actuarial Asset Value Adjustment	-	11,541
Deficit including Actuarial Asset Value Adjustments	$ 5,251,147	$ 5,183,136

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2013 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund [1]	6.1%	7.3%
Target rate of return [2]	7.4%	7.7%
Voluntary Contributions Fund[1]	5.8%	6.1%
Target rate of return [2]	5.2%	6.7%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, S&P 500, MSCI EAFE, DEX Universe Bond Index, Investment Property Databank and 91-Day T-Bills.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of net assets available for benefits, accrued pension benefits and unfunded liability that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – accounts receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2013 is limited to the carrying value of the financial assets and is disclosed in the table on the following page.

	2013 Carrying Value ($000's)	2012 Carrying Value ($000's)
Teachers' Superannuation Fund		
Cash	3,029	370
Accounts receivable	74,215	35,234
Fixed income investments	359,731	257,551
Due from General Revenue Fund	560	232
Voluntary Contributions Fund		
Due from General Revenue Fund	32	16

Fixed income investments include short-term investments and bonds and debentures. Accounts receivable are primarily made up of employee and employer contributions receivable and accrued investment income. Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually.

For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures appear below.

Teachers' Superannuation Fund

	2013		2012	
Credit Rating	Fair Values ($000's)	% Portfolio	Fair Values ($000's)	% Portfolio
AAA	$ 100,887	34.5	$ 89,309	40.7
AA	109,444	37.4	56,752	25.9
A	60,535	20.7	57,100	26.0
BBB	21,648	7.4	16,124	7.4
Total	$ 292,514	100.0	$ 219,285	100.0

With bonds and debentures, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 4.25% of the market value of the combined bonds and debentures and short-term investment portfolios. No one holding of a province is over 6.86% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short-term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and unfunded liability by $25.0 million at June 30, 2013; representing 7.0% of the $359.7 million of fixed income investments.

The Voluntary Contributions Fund is exposed to changes in interest rates in its money market and the fixed income pooled funds. It is estimated that a 100 basis point change in interest rates would change net assets available for benefits by $0.1 million at June 30, 2013; representing 7.0% of the $1.9 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 30% of the market value of the total investment portfolio. At June 30, 2013, the Plan's exposure to U.S. currencies was 11.9% (2012 – 16.2%) and exposure to EAFE currencies was 0% (2012 – 16.1%).

At June 30, 2013, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a $6.7 million change in the net assets available for benefits and unfunded liability. A 10% change in the Canadian Dollar versus the EAFE currencies would result in approximately a $0 million change in the net assets available for benefits and unfunded liability.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 17.8% (2012 – 48.3%) of the market value of the Fund's total investments. The investment policy of both the Teachers' Superannuation Fund and the Voluntary Contributions Fund limits the Plan's equity exposure to 45% of the Plan's total investments and any holding to represent no more than 10% of the outstanding shares of the issuing corporation.

For the Voluntary Contributions Fund, equity pooled funds comprise 42.4% (2012 – 41.2%) of the market value of the Fund's total investments.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and unfunded liability based on changes in the Plan's benchmark indices at June 30, 2013:

	Change in thousands of $	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	$ 6,613	$ (6,613)
S&P 500 Index	3,461	(3,461)
MSCI EAFE Index	-	-
Voluntary Contributions Fund		
S&P/TSX Composite Index	$ 106	$ (106)
S&P 500 Index	18	(18)
MSCI EAFE Index	17	(17)

Securities Collateral

At June 30, 2013, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2013, cash collateral of $11.7 million (2012 - $42.0 million) and non-cash collateral of $73.0 million (2012 - $46.9 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities. For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities.

The Voluntary Contributions Fund does not have a securities lending strategy.

Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of $1 thousand (2012 - $1 thousand) in real estate and $72.1 million (2012 - $64.6 million) in real estate pooled funds.

The Voluntary Contributions Fund does not have real estate holdings.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecasted to the year 2041. The cash required will be funded from the proceeds of disposals of investments for the period 2013 to 2031.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2011 valuation. All amounts shown are based on actual dollar forecasts and appear below.

	Cash inflows				
	Teachers Contributions	GRF Contributions	Investment Income	Cash Outflows	Cash Required
	($ 000's)	($ 000's)	($ 000's)	($ 000's)	($ 000's)
2013-14	2,842	218,000	42,331	344,495	81,322
2014-15	2,193	225,448	36,885	346,433	81,907
2015-16	1,638	239,979	31,681	347,187	73,889
2016-17	1,161	259,220	27,247	346,338	58,710
2017-18	806	269,582	23,594	344,675	50,693
Total within 5 years	$ 8,640	$ 1,212,229	$ 161,738	$ 1,729,128	$ 346,521
Total 6 to 10 years	$ 1,259	$ 1,410,250	$ 78,011	$ 1,662,698	$ 173,178
Total 11 to 30 years	$ 6	$ 4,736,764	$ 41,542	$ 4,932,894	$ 154,582

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

Investment Schedules

SCHEDULE 1
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2013		2012	
	Total Fair Value ($000's)	Accrued Interest ($000's)	Total Fair Value ($000's)	Accrued Interest ($000's)
Canada and Canada Guaranteed	$ 79,841	$ 306	$ 75,488	$ 143
Provincial and Provincially Guaranteed	85,829	536	59,295	415
Urban Municipalities And Hospitals	8,852	48	6,415	33
Corporate Debentures	117,992	1,110	78,086	868
Corporate Shares	43,184	136	128,073	284
Pooled Funds	93,892	-	232,719	-
Insured Mortgages - Principal and Real Estate	1	-	1	-
Short Term	67,217	1	38,266	3
Private Equity	68,160	-	70,977	-
Total	$ 564,968	$ 2,137	$ 689,320	$ 1,746

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Alberta Cap. Finance Authority	Dec. 15, 2025	4.45	1,173,400
Altagas Ltd.	Jun. 12, 2023	3.57	1,587,808
Government of Canada	Sep. 01, 2017	1.50	37,009,837
Government of Canada	Nov. 01, 2014	1.00	8,608,302
Government of Canada	May 01, 2014	0.75	17,597,440
Government of Canada	Jun. 01, 2016	2.00	5,027,675
Government of Canada	Jun. 01, 2018	4.25	1,398,540
Government of Canada	Sep. 01, 2018	1.25	14,915,334
Government of Canada	Jun. 01, 2020	3.50	10,414,407
Government of Canada	Jun. 01, 2022	2.75	13,877,730
Government of Canada	Jun. 01, 2023	1.50	18,800,506
Government of Canada	Jun. 01, 2037	5.00	5,898,016
Government of Canada	Jun. 01, 2041	4.00	12,115,826
407 International Inc.	Jun. 16, 2020	4.99	1,615,784
407 International Inc.	May 26, 2021	4.30	1,349,595
407 International Inc.	Nov. 24, 2017	3.87	963,360
407 International Inc.	Nov. 15, 2041	4.45	617,730
Bank of Montreal	Oct. 05, 2015	1.89	6,186,316
Bank of Montreal	Dec. 11, 2017	2.24	3,766,096
Bank of Montreal	Mar. 23, 2015	1.62	8,935,270
Bank of Montreal	Jul. 08, 2021	3.98	1,573,350
Bank of Nova Scotia	Feb. 22, 2016	3.61	4,950,575
Bank of Nova Scotia	May 08, 2015	2.25	2,331,130
Bank of Nova Scotia	Mar. 27, 2018	1.00	1,022,600
Bank of Nova Scotia	Apr. 15, 2019	1.00	2,361,103
BC Ferry Services Inc.	May 27, 2014	5.74	518,550
BC Ferry Services Inc.	Jan. 11, 2038	5.81	459,480
Bell Canada	Jun. 30, 2014	4.85	944,030
Bell Canada	Mar. 16, 2018	4.40	890,147
Bell Canada	May 19, 2021	4.95	664,500
Bell Canada	Jun. 17, 2020	3.25	1,348,987
British Columbia Muni. Fin. Auth.	Dec. 01, 2017	4.80	2,273,800
British Columbia Muni. Fin. Auth.	Apr. 23, 2018	4.60	765,730
British Columbia Muni. Fin. Auth.	Nov. 20, 2018	5.10	1,511,380
Cadillac Fairview Finance	Jan. 25, 2016	3.24	1,147,300
Canada Housing Trust	Sep. 15, 2014	1.00	5,427,208
Canada Housing Trust	Mar. 15, 2015	1.00	10,315,044
Canada Housing Trust	Mar. 15, 2020	3.75	2,307,428
Canada Housing Trust	Jun. 15, 2015	3.15	10,351,788
Canada Housing Trust	Jun. 15, 2016	2.75	9,671,740
Canada Housing Trust	Sep. 15, 2016	1.00	20,318,774
Canada Housing Trust	Sep. 15, 2017	1.00	12,386,249
Canada Housing Trust	Dec. 15, 2017	1.70	1,227,076
Canada Housing Trust	Jun. 15, 2018	2.05	1,216,514
Canada Housing Trust	Jun. 15, 2021	3.80	7,906,295

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Canada Housing Trust	Mar. 15, 2022	2.65	3,687,627
Canadian Imperial Bank	Nov. 19, 2014	3.30	3,098,004
Canadian Imperial Bank	Jul. 14, 2017	3.95	1,408,080
Canadian Imperial Bank	Jan. 14, 2016	3.40	5,491,570
Canadian Imperial Bank	Mar. 07, 2018	2.22	1,362,842
CU Inc.	Sep. 10, 2042	3.80	1,131,000
Enbridge Pipelines Inc.	Nov. 10, 2039	5.35	1,066,025
Enbridge Pipelines Inc.	Nov. 12, 2019	4.49	1,321,979
Enersource Corp.	Apr. 29, 2041	5.30	962,200
Epcor Utilities	Jan. 31, 2018	5.80	2,320,172
Epcor Utilities	Apr. 15, 2038	6.65	2,023,000
Finning International Inc.	Jun. 01, 2018	6.02	1,159,900
Finning International Inc.	Jun. 13, 2042	5.08	411,680
FortisBC Energy Inc.	May 13, 2038	5.80	655,650
Great West Finance	Jun. 21, 2067	5.69	657,449
Great West Lifeco Inc.	Mar. 21, 2033	6.67	980,070
Great West Lifeco Inc.	Nov. 16, 2039	6.00	1,068,873
Greater Toronto Airports	Apr. 17, 2018	5.26	2,115,634
Greater Toronto Airports	Feb. 25, 2018	5.30	865,782
Honda Canada Finance Inc.	May 09, 2013	5.08	720,930
Hydro One Inc.	Mar. 03, 2016	4.64	437,740
Hydro Quebec	Aug. 15, 2020	11.00	2,874,210
Inter Pipeline Fund	Feb. 02, 2021	4.97	1,751,710
John Deere Canada Fnd In	Jan. 14, 2016	1.95	1,278,042
John Deere Financials	Oct. 14, 2014	2.25	303,000
John Deere Financials	Sep. 16, 2015	5.45	664,722
Met Life Glob. Funding I	Jan. 12, 2016	3.85	833,760
Met Life Glob. Funding I	Apr. 10, 2015	2.62	1,100,533
Met Life Glob. Funding I	May 30, 2013	4.85	410,560
National Bank of Canada	Jan. 30, 2015	2.23	2,582,566
National Bank of Canada	Jan. 11, 2016	2.05	801,000
National Bank of Canada	Dec. 15, 2016	2.70	1,272,938
National Bank of Canada	Nov. 02, 2020	1.00	855,360
National Bank of Canada	Nov. 15, 2018	5.55	2,646,624
Ontario Infrastructure	Jun. 01, 2037	4.70	454,880
Province of Alberta	Sept. 01, 2016	1.85	2,827,469
Province of Alberta	Dec. 15, 2022	2.55	4,364,437
Province of Alberta	May 27, 2020?	1.38	2,999,830
Province of British Columbia	Dec. 18, 2020	3.70	2,514,228
Province of British Columbia	Dec. 18, 2021	3.25	4,660,873
Province of British Columbia	Jun. 18, 2031	6.35	6,329,425
Province of British Columbia	Dec. 18, 2031	4.65	2,581,875
Province of British Columbia	Dec. 18, 2022	2.70	2,903,469
Province of Manitoba	Dec. 01, 2016	2.05	1,587,572
Province of Manitoba	Dec. 01, 2021	3.85	3,961,243

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Province of Manitoba	Sep. 05, 2025	4.40	1,709,415
Province of Manitoba	Mar. 05, 2041	4.10	2,468,456
Province of New Brunswick	Dec. 03, 2021	3.35	1,575,450
Province of New Brunswick	Mar. 26, 2037	4.55	1,038,833
Province of Newfoundland	Oct. 17, 2033	5.60	893,734
Province of Newfoundland	Apr. 17, 2037	4.50	830,270
Province of Nova Scotia	Jun. 01, 2042	4.40	2,175,951
Province of Nova Scotia	Jun. 01, 2033	5.80	679,960
Province of Nova Scotia	Jun. 01, 2041	4.70	1,516,604
Province of Nova Scotia	Jun. 01, 2021	4.10	1,007,055
Province of Ontario	Jun. 02, 2022	3.15	17,370,767
Province of Ontario	Jun. 02, 2020	4.20	449,760
Province of Ontario	Jun. 02, 2031	6.20	7,473,608
Province of Ontario	Jun. 02, 2037	4.70	2,660,391
Province of Ontario	Jun. 02, 2041	4.65	1,877,785
Province of Quebec	Dec. 01, 2015	5.00	3,645,540
Province of Quebec	Dec. 01, 2017	4.50	286,879
Province of Quebec	Dec. 01, 2021	4.25	7,013,930
Province of Quebec	Jun. 01, 2032	6.25	3,085,040
Province of Quebec	Dec. 01, 2041	5.00	2,251,276
Province of Quebec	Dec. 01, 2043	4.25	4,048,273
Province of Saskatchewan	Sep. 05, 2031	6.40	2,893,252
Province of Saskatchewan	Jun. 01, 2040	4.75	771,180
Province of Saskatchewan	Sep. 05, 2017	4.65	457,120
Province of Saskatchewan	Feb. 03, 2042	3.40	1,714,369
PSP Capital Inc.	Dec. 09, 2013	4.57	1,567,305
Rogers Communications	Sep. 29, 2020	4.70	703,228
Rogers Communications	Mar. 22, 2041	6.56	721,500
Royal Bank of Canada	Jan. 11, 2016	3.36	4,521,460
Royal Bank of Canada	Jul. 26, 2016	3.03	2,113,113
Royal Bank of Canada	Mar. 12, 2018	2.26	1,801,586
Royal Bank of Canada	Nov. 04, 2018	5.45	627,840
Shoppers Drug Mart Corp.	May 15, 2016	2.01	400,920
Sun Life Financial Inc.	Nov. 23, 2035	4.80	1,033,250
TCHC Issuer Trust	Feb. 22, 2040	5.40	494,400
Telus Corp.	Apr. 15, 2015	5.95	1,207,560
Telus Corp.	Dec. 04, 2019	5.05	561,650
Thomson Reuters Corp.	Sep. 30, 2020	4.35	3,152,360
Toronto Dominion Bank	Aug. 02, 2016	2.95	925,992
Toronto Dominion Bank	Apr. 02, 2018	2.17	3,817,250
Toronto Dominion Bank	Apr. 02, 2020	5.48	542,250
Toronto Dominion Bank	Nov. 02, 2020	3.37	512,500
Wells Fargo Canada Corp.	Feb. 09, 2017	2.77	1,217,760
Wells Fargo Canada Corp.	Nov. 03, 2014	3.97	1,356,420

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
SHARES:			
Accenture PLC Cl. A		--	1,140,291
Aflac		--	1,323,208
Agnico Eagle Mines Ltd.		--	883,752
Agrium Inc.		--	228,293
Alimentation Couche Tard B		--	964,535
Altria Group Inc.		--	1,322,295
American Tower Corp.		--	948,938
Americsourcebergen Corp.		--	1,152,305
Apple Inc.		--	2,722,670
ARC Resources Ltd.		--	303,831
Bank of Montreal		--	352,800
Bank of Nova Scotia		--	658,341
Baytex Energy Group		--	44,528
Boardwalk Real Estate Invest		--	517,303
Borgwarner Inc.		--	899,907
Brookfield Asset Manage Cl A		--	984,654
Canadian Natl Railway Co.		--	614,675
Canadian Tire Corp. Class A.		--	150,067
Canfor Corp.		--	258,170
Catamaran Corp.		--	424,273
Celgene Corp.		--	619,128
CGI Group Inc. Class A		--	314,460
Check Point Software Tech.		--	1,133,716
Chevron Corp.		--	1,771,033
Chicago Bridge + Iron Co. NV		--	1,777,594
Church + Dwight Co. Inc.		--	1,059,874
Cisco Systems Inc.		--	1,143,092
Citigroup Inc.		--	1,741,058
Cooper Industries PLC		--	690,904
Covidien PLC		--	797,117
Crescent Point Energy Corp.		--	245,375
CVS Caremark Corp.		--	1,568,376
Dollarama Inc.		--	169,008
Express Scripts Holding Co.		--	1,113,785
Eldorado Gold Corp.		--	42,495
Eli Lilly + Co.		--	1,588,710
Enbridge Inc.		--	768,778
Finning International Inc.		--	268,593
First Majestic Silver Corp.			71,939
Fossil Group Inc.		--	478,481
Franklin Resources Inc.		--	1,000,578
General Electric Co.		--	1,537,765
GE Asset Management – PE		--	5,251,218
Goldcorp. Inc.		--	226,607
Google Inc. Cl. A		--	1,025,894

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Greystone Can. Small Cap Fund		--	4,761,871
Greystone EAFE Growth Fund		--	1,027,070
Greystone US Strategic Growth Fund		--	779,036
Greystone US Strategic Value		--	249,624
Halliburton Co.		--	1,027,413
Home Depot Inc.		--	1,261,767
Honeywell International Inc.		--	1,102,925
Husky Energy Inc.		--	966,292
Industrial Alliance Insurance.		--	193,570
Intact Financial Corp.		--	156,051
Intel Corp.		--	1,121,695
Ishares S&P/TSX60 Index Fund		--	361,821
Intercontinental Exchange Inc.		--	838,922
Intl Business Machines Corp.		--	1,416,349
ITC Holdings Corp.		--	788,123
JP Morgan Chase + Co.		--	1,319,522
Lyondellbasell Indu. Cl. A		--	1,552,994
Macdonald Dettwiler & Assoc.		--	194,059
Magna International Inc.		--	277,881
Manulife Financial Corp.		--	659,943
Marathon Petroleum Corp.		--	1,467,081
Mastercard Inc. Class A		--	1,350,173
McDonald S Corp.		--	714,318
Mead Johnson Nutrition Co.		--	1,146,263
Meg Energy Corp.		--	185,955
Metro Inc.		--	142,403
Michael Kors Holdings Ltd.		--	1,359,207
National Bank of Canada		--	247,344
National Oilwell Varco Inc.		--	1,196,909
Nextera Energy Inc.		--	1,886,782
Occidental Petroleum Corp.		--	1,060,715
Open Text Corp.		--	174,378
Oracle Corp.		--	882,796
Peyto Exploration & Dev Corp.		--	674,232
Pfizer Inc.		--	1,111,854
Praxair Inc.		--	1,211,256
Precision Drilling Corp.		--	143,675
Priceline.com Inc.		--	1,219,008
Qualcomm Inc.		--	933,226
Quebecor Inc. Cl. B		--	425,701
Royal Bank of Canada		--	2,851,862
Saputo Inc.		--	181,848
Shawcor Ltd.		--	451,867
Sherwin Williams Co.		--	1,530,033
Suncor Energy Inc.		--	764,463
SXC Health Solutions Corp.		--	78,348

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Symantec Corp.		--	1,462,788
Teck Resources Ltd.		--	511,026
Tim Hortons Inc.		--	80,940
TJX Companies Inc.		--	1,462,157
Toronto Dominion Bank		--	643,276
Transcanada Corp.		--	273,013
Union Pacific Corp.		--	1,394,221
United Health Group Inc.		--	1,046,677
US Bancorp		--	1,256,801
Valeant Pharmaceuticals Int.		--	220,340
Vermilion Energy Inc.		--	155,384
Viacom Inc. Class B		--	933,747
Wells Fargo + Co.		--	1,384,960
West Fraser Timber Co. Ltd.			412,018
WestJet Airlines Ltd.		--	335,213
WW Grainger Inc.		--	522,169
Yamana Gold Inc.		--	326,660
Yum Brands		--	976,070
SHORT TERM:		--	826,602,581
Total			$ 1,385,636,605

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Government of Canada	May 01, 2014	0.75	31,215,865
Government of Canada	Nov. 01, 2014	1.00	8,597,927
Government of Canada	Jun. 01, 2016	2.00	5,744,523
Government of Canada	Sep. 01, 2017	1.50	15,201,036
Government of Canada	Jun. 01, 2018	4.25	4,430,233
Government of Canada	Sep. 01, 2018	1.25	1,337,669
Government of Canada	Jun. 01, 2020	3.50	1,378,105
Government of Canada	Jun. 01, 2022	2.75	16,326,025
Government of Canada	Jun. 01, 2023	2.75	8,743,353
Government of Canada	Jun. 01, 2037	5.00	3,295,024
Government of Canada	Jun. 01, 2041	4.00	10,106,569
407 International Inc.	Nov. 24, 2017	3.87	585,310
407 International Inc.	Jan. 16, 2020	4.99	1,006,218
Alberta Capital Finance Authority	Dec. 15, 2025	4.45	441,199
Alliance Pipeline	Jun. 30, 2023	7.18	5,683
Bank of Montreal	Mar. 23, 2015	1.62	1,327,055
Bank of Montreal	Oct. 05, 2015	1.89	3,018,383
Bank of Montreal	Dec. 11, 2017	2.24	3,785,731
Bank of Montreal	Jul. 08, 2021	3.98	4,081,096
Bank of Nova Scotia	Feb. 22, 2016	3.61	2,154,955
Bank of Nova Scotia	May 08, 2015	2.25	304,347
Bank of Nova Scotia	Apr. 15, 2019	1.00	770,925
Bank of Nova Scotia	Mar. 27, 2018	1.00	2,866,173
Bell Canada	Jun. 30, 2014	4.85	467,784
Bell Canada	Mar.16, 2018	4.40	380,835
Bell Canada	May 19, 2021	4.95	990,686
Brit Col Muni Fin Auth.	Dec. 01, 2017	4.80	1,862,805
Cadillac Fairview Financial	Jan. 25, 2016	3.24	3,374,400
Canada Housing Trust	Sep. 15. 2014	1.00	5,422,951
Canada Housing Trust	Mar. 15, 2015	1.00	10,306,156
Canada Housing Trust	Jun. 15, 2015	3.15	10,313,294
Canada Housing Trust	Jun. 15, 2016	2.75	6,631,684
Canada Housing Trust	Sep. 15, 2016	1.00	45,459,402
Canada Housing Trust	Sep. 15, 2017	1.00	23,870,669
Canada Housing Trust	Dec. 15, 2017	1.70	1,205,836
Canada Housing Trust	Mar. 15, 2020	3.75	4,051,526
Canada Housing Trust	Jun. 15, 2021	3.80	8,956,096
Canada Housing Trust	Mar. 15, 2022	2.65	731,122
Canadian Imperial Bank	Nov. 19, 2014	3.30	954,555
Canadian Imperial Bank	Jan.14, 2016	3.40	2,242,695
Canadian Imperial Bank	Jul. 14, 2017	3.95	1,395,966
Canadian Imperial Bank	Jun. 06, 2018	1.00	1,193,988
Enbridge Pipelines Inc.	Nov. 10, 2039	5.35	498,200
Enersource Corp.	Apr. 29, 2041	5.30	405,182
EPCOR Utilities	Jan. 31, 2018	5.80	1,511,050
EPCOR Utilities	Apr. 15, 2038	6.65	1,246,390

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Finning Intl Inc.	Jun. 01, 2018	6.02	403,684
Finning Intl Inc.	Jun. 13, 2042	5.08	323,601
Fortis BC Energy Inc.	May 13, 2038	5.80	469,755
GE Capital Canada.	Jan. 26, 2022	4.60	1,231,698
GE Capital Canada	Oct. 22, 2037	5.73	477,427
Great West Lifeco Fin.	Jun. 21, 2067	5.69	334,560
Great West Lifeco Inc.	Mar. 21, 2033	6.67	424,864
Great West Lifeco Inc.	Nov. 16, 2039	6.00	615,500
Greater Toronto Airport	Apr. 17, 2018	5.26	1,054,059
Greater Toronto Airport	Feb. 25, 2041	5.30	275,632
Honda Canada Finance	May 09, 2013	5.08	2,036,137
Hydro One Inc.	Mar. 03, 2016	4.64	325,200
Hydro Quebec	Aug. 15, 2020	11.00	1,323,677
Inter Pipeline Fund	Feb. 02, 2021	4.97	674,400
John Deere Financials Inc.	Oct. 14, 2014	2.25	820,584
John Deere Financials Inc.	Sep. 16, 2015	5.45	326,790
Metropolitan Life Global Funding	Jan. 12, 2016	3.85	520,350
Metropolitan Life Global Funding	May 20, 2013	4.85	1,435,016
National Bank of Canada	Jan. 30, 2015	2.23	681,534
National Bank of Canada	Jan. 11, 2016	2.05	807,752
National Bank of Canada	Dec. 15, 2016	2.70	1,918,161
National Bank of Canada	Nov. 02, 2020	1.00	2,529,730
Ontario Infrastructure	Jun. 01, 2037	4.70	460,899
Province of Alberta	May 27, 2020	1.38	3,245,448
Province of Alberta	Dec. 15, 2022	2.55	371,407
Province of British Columbia	Dec. 18, 2018	4.65	692,280
Province of British Columbia	Dec. 18, 2020	3.70	1,395,762
Province of British Columbia	Dec. 18, 2021	3.25	1,899,342
Province of British Columbia	Dec. 18, 2022	2.70	2,942,626
Province of British Columbia	Jun. 18, 2031	6.35	4,425,511
Province of Manitoba	Dec. 01, 2016	2.05	1,579,703
Province of Manitoba	Dec. 01, 2021	3.85	855,641
Province of Manitoba	Sep. 05, 2025	4.40	713,644
Province of Manitoba	Mar. 05, 2041	4.10	2,008,676
Province of New Brunswick	Dec. 03, 2021	3.35	4,005,064
Province of New Brunswick	Mar. 26, 2037	4.55	727,992
Province of Newfoundland	Oct. 17, 2033	5.60	488,400
Province of Newfoundland	Apr. 17, 2037	4.50	2,764,826
Province of Nova Scotia	Jun. 01, 2021	4.10	2,608,100
Province of Nova Scotia	Jun. 01, 2033	5.80	309,060
Province of Nova Scotia	Jun. 01, 2041	4.70	2,488,411
Province of Ontario	Jun. 02, 2020	4.20	1,380,938
Province of Ontario	Jun. 02, 2022	3.15	8,677,397
Province of Ontario	Jun. 02, 2031	6.20	4,793,001
Province of Ontario	Jun. 02, 2037	4.70	359,067
Province of Ontario	Jun. 02, 2041	4.65	496,736

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Province of Quebec	Dec. 01, 2015	5.00	3,636,790
Province of Quebec	Dec. 01, 2017	4.50	284,608
Province of Quebec	Dec. 01, 2021	4.25	8,758,713
Province of Quebec	Jun. 01, 2032	6.25	1,567,285
Province of Quebec	Dec. 01, 2043	4.25	4,063,416
Province of Saskatchewan	Sep. 05, 2017	4.65	1,225,584
Province of Saskatchewan	Sep. 05, 2031	6.40	1,459,310
Province of Saskatchewan	Jun. 01, 2040	4.75	445,749
Province of Saskatchewan	Feb. 03, 2042	3.40	249,418
PSP Capital Inc.	Dec. 09, 2013	4.57	4,608,328
Rogers Communications Inc.	Sep. 29, 2020	4.70	724,452
Rogers Communications Inc.	Mar. 22, 2041	6.56	2,334,429
Royal Bank of Canada	Jan. 11, 2016	3.36	2,292,310
Royal Bank of Canada	Jul. 26, 2016	3.03	619,380
Royal Bank of Canada	Nov. 04, 2018	5.45	1,910,863
Royal Office Finance LP	Nov. 12, 2037	5.21	19,212
Shoppers Drug Mart	Jun. 03, 2013	4.99	619,606
Sun Life Financial Inc.	Nov. 23, 2035	4.80	526,050
TCHC Issuer Trust	Feb. 22, 2040	5.40	427,558
Telus Corporation	Apr. 15, 2015	5.95	874,250
Telus Corporation	Dec. 04, 2019	5.05	1,574,909
Thomson Reuters Corp	Sep. 30, 2020	4.35	1,073,562
Tim Hortons Inc.	Jun. 01, 2017	4.20	287,949
Toronto Dominion Bank	Aug. 02, 2016	2.95	2,517,020
Toronto Dominion Bank	Nov. 01, 2017	1.00	1,004,000
Toronto Dominion Bank	Apr. 02, 2020	5.48	1,646,285
Toronto Dominion Bank	Nov. 02, 2020	3.37	1,414,621
Wells Fargo Canada Corp.	Nov. 03, 2014	3.97	625,920
Wells Fargo Canada Corp.	Feb. 09, 2017	2.77	852,365
SHARES:			
Accenture Plc		–	2,036,771
Aflac Inc.		–	2,209,627
Agnico Eagle Mines Ltd.		–	400,282
Agrium Inc.		–	2,352,504
Alimentation Couche Tard		–	888,949
Altria Group		–	2,006,044
American Tower Corp.		–	1,329,837
Amerisourcebergen Corp.		–	2,474,280
Apple Inc.		–	4,048,675
ARC Resources Ltd.		–	1,840,428
Bank of Montreal		–	4,306,527
Bank of Nova Scotia		–	4,780,133
Baytex Energy Corp.		–	1,342,166
Boardwalk Real Estate Invest.		–	389,930
Borgwarner Inc.		–	1,732,040
Brookfield Asset Manage		–	776,159

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Brookfield Property Partners		--	28,496
CAE Inc.		--	910,468
Cameco Corp.		--	1,143,465
Canadian Natl Railway Co.		--	3,465,060
Canadian Natural Resources		--	159,734
Canadian Tire Corp.		--	1,524,084
Canfor Corp.		--	175,049
Catamaran Corp.		--	861,707
CVS Caremark Corp.		--	2,508,189
Celestica Inc.		--	671,897
Celgene Corp.		--	1,513,699
CGI Group Inc.		--	2,477,147
Check Point Software Tech.		--	1,894,432
Chevron Corp.		--	2,732,171
Chicago Bridge + Iron Co.		--	1,160,658
Church + Dwight Co. Inc.		--	1,768,795
Cisco Systems Inc.		--	830,631
Citigroup Inc.		--	1,052,468
Cooper Industries PLC		--	1,736,107
Covidien PLC		--	991,046
Crescent Point Energy Corp.		--	2,080,637
Dollarama Inc.		--	1,611,113
Eldorado Gold Corp.		--	1,650,438
Eli Lilly + Co.		--	1,733,389
Enbridge Inc.		--	2,489,602
Express Scripts Holding Co.		--	1,625,651
Finning International Inc.		--	1,471,466
First Majestic Silver Corp.		--	664,295
Fossil Group Inc.		--	1,098,741
Franklin Resources		--	1,944,581
General Electric Co.		--	1,078,125
Goldcorp Inc.		--	3,273,444
Google Inc.		--	2,217,190
GEAM International Private Equity		--	9,511,269
Greystone Can Small Cap Fund		--	14,162,985
Greystone EAFE Growth Fund		--	116,003,788
Greystone US Strategic Growth		--	9,193,042
Greystone US Strategic Value		--	18,630,976
Halliburton Co.		--	1,579,881
Home Depot		--	1,882,898
Honeywell International Inc.		--	2,193,163
Husky Energy Inc.		--	713,905
IGM Financial Inc.		--	728,728
Industrial Alliance Insurance		--	116,887
Intact Financial Corp.		--	2,274,633
Intel Corp.		--	2,169,395

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Intercontinentalexchange Inc.		--	1,623,803
Intl Business Machines Corp.		--	1,882,525
Ishares S&P/TSX 60 Index Fund		--	600,268
ITC Holdings Corp.		--	1,174,300
JPMorgan Chase + Co.		--	2,313,241
Lyondellbasell Industry		--	870,422
MacDonald Dettwiler + Assoc.		--	177,630
Magna International Inc.		--	2,288,784
Manulife Financial Corp.		--	2,770,423
Marathon Petroleum Corp.		--	1,208,358
Mastercard Inc.		--	1,885,203
McDonald S Corp.		--	1,771,020
Mead Johnson Nutrition Co.		--	1,949,145
Meg Energy Corp.		--	1,633,870
Metro Inc.		--	1,789,114
Michael Kors Holdings Ltd.		--	637,845
National Bank of Canada		--	2,895,282
National Oilwell Varco Inc.		--	1,489,975
Nexen Inc.		--	1,954,880
Nextera Energy Inc.		--	1,331,452
Occidental Petroleum Corp.		--	1,305,353
Open Text Corp.		--	1,421,298
Oracle Corp.		--	1,560,270
Peyto Exploration + Dev. Corp.		--	649,976
Pfizer Inc.		--	2,060,214
Potash Corp of Saskatchewan		--	2,183,249
Praxair Inc.		--	2,074,806
Precision Drilling Corp.		--	767,966
Priceline.com Inc.		--	1,627,313
Qualcomm Inc.		--	1,368,218
Quebecor Inc.		--	312,926
Royal Bank of Canada		--	2,126,374
Saputo Inc.		--	1,683,258
Shawcor Ltd.		--	323,103
Sherwin Williams Co.		--	1,176,643
Suncor Energy Inc.		--	4,483,400
SXC Health Solutions Corp.		--	366,750
Symantec Corp.		--	778,842
Teck Resources Ltd.		--	1,640,319
Tim Hortons Inc.		--	1,968,849
TJX Companies Inc.		--	2,358,879
Toronto Dominion Bank		--	6,457,770
Transcanada Corp.		--	3,313,671
US Bancorp		--	2,825,123
Union Pacific Corp.		--	2,173,097
United Health Group Inc.		--	1,733,303

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Valeant Pharmaceuticals		--	2,307,137
Vermilion Energy Inc.		--	1,159,311
ViaCom Inc.		--	2,435,868
Wells Fargo + Co.		--	783,060
West Fraser Timber Co. Ltd.		--	297,586
WestJet Airlines Ltd.		--	236,175
WW Grainger Inc.		--	1,162,869
Yamana Gold Inc.		--	2,623,555
Yum Brands Inc.		--	1,707,349
Brokerage Fees		--	147,248
SHORT-TERM:		--	798,121,427
TOTAL			$ 1,531,130,632

SCHEDULE 4
TEACHERS' VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2013 (UNAUDITED)

Investments	2013 Total Fair Value ($000's)	2013 Accrued Interest ($000's)	2012 Total Fair Value ($000's)	2012 Accrued Interest ($000's)
Pooled Funds	$ 3,343	$ --	$ 3,446	$ --
Total	$ 3,343	$ --	$ 3,446	$ --

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2013 (UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 76,020
Greystone EAFE Growth Fund	4,743
Greystone US Equities Fund	6,792
Greystone Fixed Income Fund	101,661
Greystone Money Market Fund	131,955
TOTAL	$ 321,171

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 167,165
Greystone EAFE Growth Fund	27,538
Greystone EAFE Quant Fund	82,908
Greystone EAFE Plus Fund	190,402
Greystone US Equities Fund	44,430
Greystone Fixed Income Fund	156,454
Greystone Money Market Fund	120,388
TOTAL	$ 515,975

(This page intentionally left blank)